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January 19, 2016

OFFICE OF GENERAL

**VIA E-MAIL: [jjordan@fec.gov](mailto:jjordan@fec.gov) / [drawls@fec.gov](mailto:drawls@fec.gov)**

Jeff S. Jordan  
Assistant General Counsel  
Attn: Donna Rawls, Paralegal  
Office of Complaints Examination  
& Legal Administration  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20436

MUR 6991

Dear Mr. Jordan:

We are responding on behalf of SW Technologies, LLC, and Roger Stone, to your letter dated December 14, 2015, providing notice of a complaint against SW Technologies, alleging violations of the Federal Election Campaign Act of 1971 (the "Act") and related Federal Election Commission ("FEC") regulations. We represent SW Technologies and Mr. Stone in this matter, and in MUR 6960, which relates to a separate complaint brought by the National Republican Congressional Committee (the "NRCC") involving similar allegations.

We were first contacted about MUR 6991 the week of December 28, 2015 and filed a statement of designation of counsel on January 4, 2016. On January 7, 2016, we discussed with Donna Rawls timing of matters and agreed to provide a response to the complaint by today.

In this new complaint, the Republican National Committee (the "RNC"), alleges that SW Technologies violated the "sales and use" prohibitions of 52 U.S.C. § 30111(a)(4) and 11 CFR § 104.15 through use of a contributor list that included the names of RNC "salts" – fictitious individuals who the RNC indicates that it included on its reports to the FEC.

The RNC and NRCC complaints both relate to the same source of FEC data, the same marketing firm (TMA Direct), the same contributor list marketed by TMA Direct (the "Republican Elite Donors" list), and the same approximate time period (summer 2015).

As indicated in its October 20, 2015 response to the NRCC complaint, SW Technologies does not copy contributor information from FEC reports and sell it for use in campaign fundraising or for other commercial purposes. This has never been part of its business model or practice. Instead, the company compiles and obtains political data through purchases or trades with campaigns, non-governmental organizations, and other business entities in the political

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information industry. It also develops data independently using its own proprietary national voter file in combination with demographic research modeling.

As part of its independent data development, the company more recently added some FEC data to its proprietary model for use in identifying likely Republican contributors. The model uses statistical research to find individuals with certain characteristics similar to established contributors. The purpose of the model is to find possible new contributors, rather than those already on pre-existing voter lists. The FEC data is specifically segregated and not intended to be used on fundraising lists that are later marketed for solicitation or any other commercial purpose. The intent and design was for the FEC data to only be used to help create the research model, not for any contributor data on it to be distributed or sold to others for solicitation purposes.

SW Technologies outsources much of its data work, including using a third-party vendor to maintain contributor databases. SW Technologies' long-standing instructions to the vendor are that the segregated FEC data should not be provided for use in contributor list marketing. SW Technologies now understands that, in spite of that direction, the source of the release of FEC data to TMA Direct occurred inadvertently when SW Technologies directed the data vendor to export a Republican contributor file – what later became the “Republican Elite Donors” list. The release of the FEC data was purely unintentional and a mistake. And importantly, the allegations in both the RNC and NRCC complaints concern exactly the same Republican contributor file – the data set released to TMA Direct and incorporated into a file marketed as the “Republican Elite Donors” list.

SW Technologies did not correctly identify the source of the data breach when it first learned of the RNC “salt” complaint in June 2015. Specifically, on June 9, 2015, TMA Direct notified SW Technologies of a call from the RNC relating to a list containing an RNC “salt.” That same day, SW Technologies contacted its data vendor and asked it to verify a certain batch of data that had been sent to TMA Direct. While the verification process did not uncover any breached FEC data, SW Technologies assumed at the time that the source of the “salt” was a batch of donor lists that the company had obtained through another broker in April of 2015. Accordingly, on June 11, 2015, SW Technologies directed that this most recent batch of contributor data be pulled from the market.

Soon thereafter, SW Technologies informed the RNC of having taken corrective action, and that it believed whatever data problem had existed was fixed. The RNC did not again contact SW Technologies about any possible continuing FEC data breaches or that the “salt” information remained on the market. SW Technologies assumed that the problem had been corrected.

Two months later, in August 2015, the NRCC sent cease and desist correspondence to SW Technologies, also identifying the “Republican Elite Donors” list as containing FEC contributor information. It is at this time that SW Technologies went back to its data management vendor and directed that the full contributor file that had been sent to TMA Direct, and which became the “Republican Elite Donors” list, be pulled from the market in its entirety.

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SW Technologies has now fully examined all of its other lists on the market for FEC data using the "salt" names referenced in both the RNC and NRCC complaints, and it has found no other instances of a breach involving FEC data. Further, SW Technologies has pulled all FEC data from its proprietary models and implemented protective measures to better ensure that FEC data will not be used for fundraising purposes going forward. SW Technologies also has confirmed that this data transfer from its vendor to TMA Direct is the only instance where a mistake like this has occurred. Again, and tellingly, both the RNC and NRCC complaints stem from exactly the same Republican contributor file.

The subject of these complaints is the result of a one-time, isolated and unintentional breach. SW Technologies has identified the source of the problem as to an improper upload of data by an outside vendor. Moreover, the company has corrected the problem and eliminated a recently added element of its data development going forward to ensure that problems like this will not recur.

Please let us know if you have further questions or need any additional information. I can be reached directly on my mobile at 608-358-1800. Otherwise, the company respectfully requests that no action be taken and the matter be closed.

Sincerely,

GODFREY & KAHN, S.C.



Mike B. Wittenwyler  
Nate Zolik